

## **PURCHASE AND SALE AGREEMENT**

This Agreement (this "Agreement") is made on this \_\_\_\_ day of \_\_\_\_\_, 2016 by and between TG LLC, a Maryland Limited Liability Company ("Seller") and the Town of Easton ("Buyer") for purchase and sale of that certain real property located at 31 South Locust Street, Easton, Maryland 21601 (the "Property") and all rights appurtenant thereto, together with all buildings, fixtures and other improvements thereon, and all furniture, fixtures, equipment and any other personal property situated thereon owned by Seller including without limitation items of personal property remaining in the Property on the Closing Date (hereinafter defined).

Buyer is desirous of purchasing the Property from Seller and Seller is desirous of selling the Property to Buyer, for the purchase price and upon the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual covenants and promises hereinafter made, and for other good and valuable considerations, the receipt and sufficiency of which by Buyer and Seller are hereby acknowledged, it is agreed:

**1. Purchase Price; Payment.** The total purchase price for the Property is Twenty Seven Thousand Dollars (\$27,000.00) (the "Purchase Price") which amount, including the Deposit, shall be paid in cash upon settlement on the Closing Date.

**2. Earnest Money Deposit.** Buyer hereby deposits with Closing Agent (hereinafter defined), the receipt of which is hereby acknowledged by Seller, the amount of Five Hundred Dollars (\$500.00) as an earnest money deposit ("the Deposit"), payable to Closing Agent. The receipt of the Deposit pursuant to the terms and conditions of this Agreement shall be acknowledged by Closing Agent in writing by execution of this Agreement in the space provided herein. If Buyer terminates this Agreement prior to the expiration of the Feasibility Period (hereinafter defined) pursuant to the terms of this Agreement or if either party exercises the provisions of paragraph 7C of this Agreement, the Deposit shall be returned to Buyer by Closing Agent. The Deposit shall be deemed to be earned by Seller when paid by Buyer, subject to refund to Buyer if (i) Buyer has timely terminated this Agreement pursuant to Section 3 below, or (ii) if Seller defaults in its obligations under this Agreement, or (iii) if either party exercises the provisions of paragraph 7C of this Agreement. If this Agreement is terminated by Buyer on account of the occurrence of any of the conditions set forth in the preceding sentence, Closing Agent shall return the Deposit to Buyer. The Deposit shall be applied against the Purchase Price at Closing and Buyer shall be entitled to a credit at Closing against the Purchase Price in a sum equal to the aggregate of the Deposit.

**3. Feasibility Period and Buyer's right to Terminate.** Buyer shall have the right, from the Effective Date (hereinafter defined) through the day which is ninety (90) days after the Effective Date (the "Feasibility Period"), to evaluate the potential for historic rehabilitation of the property in the manner intended by Buyer. Seller shall afford Buyer and its affiliates, their employees, agents, contractors and consultants the continuing right through the Closing Date to enter on and inspect the Property and to conduct such investigations, inspections, surveys, studies, assessments, appraisals, measurements and other evaluations of the Property as Buyer deems appropriate. In addition, during the Feasibility Period, Buyer may investigate title to the Property. To this end, Buyer has ordered a title insurance commitment (the "Title Commitment") from the Closing Agent, committing to issue an owner's fee simple standard Maryland form of title insurance policy to Buyer. Buyer shall have the right to terminate this Agreement for any reason whatsoever by giving written notice thereof to Seller at any time prior to the expiration of the Feasibility Period. If Buyer terminates this Agreement pursuant to this Section 3 or if the Contingency set forth in Section 7 is not satisfied, then the parties shall have no further obligations or liability to each other.

**4. Time for Closing.** The transactions contemplated hereby shall be closed in the office of Eastern Shore Title Company ("Closing Agent") within thirty (30) days after both the satisfaction of the Contingency in Section 7 and after the end of the Feasibility Period in Section 3 (the "Closing Date") unless this Agreement is terminated by Buyer pursuant to the terms hereof.

**5. Prorations; Closing Costs; Transfer Charges.** All taxes and other governmental charges or assessments against the Property which are payable on a periodic basis are to be adjusted and apportioned as of the Closing Date and are to be assumed thereafter by Buyer. Buyer agrees to pay all settlement costs and charges, including title examination and title insurance fees, document preparation and recording fees and charges. SECTION 14-104 OF THE REAL PROPERTY ARTICLE OF THE ANNOTATED CODE OF MARYLAND PROVIDES THAT, UNLESS OTHERWISE NEGOTIATED IN THE CONTRACT PROVIDED BY STATE OR LOCAL LAW, THE COST OF ANY RECORDATION TAX OR ANY STATE OR LOCAL TRANSFER TAX SHALL BE SHARED EQUALLY BETWEEN THE BUYER AND SELLER. The cost of any recordation tax or any State or local Transfer Tax shall be paid by Buyer.

**6. Conveyance of Title; Possession.** Upon settlement on the Closing Date and payment of the Purchase Price by Buyer, Seller shall execute and deliver to Buyer a deed for the Property containing covenants of special warranty and further assurances. Title to the Property shall be good and merchantable, free and clear of all liens, claims, encumbrances, easements, leases or other clouds on title whatsoever. Buyer shall be entitled to exclusive possession upon settlement on the Closing Date. Seller agrees to deliver possession of the Property to Buyer at the Closing of the transaction

contemplated hereby, free and clear of the rights of any person, firm or corporation to have possession of the Property.

**7. Contingency.** The mutual obligations of Buyer and Seller to perform the provisions of this Agreement are contingent upon:

A. Buyer's enacting final legislation authorizing purchase of the Property from the Seller as required by Section 5-204(c) of the Local Government Article of the Maryland Annotated Code. For the purposes of this Paragraph, such legislative action shall be deemed "final" when the legislative enactment becomes effective by its own terms and by the applicable provisions of general and public local law.

B. Buyer obtaining grants and/or loans under terms sufficient to Buyer for the cost of rehabilitating and renovating the house on the Property as part of the Town's "Housing on the Hill" project.

C. This Agreement shall be deemed voidable by a signed writing executed by either party if clause 7A or B is not fulfilled within 180 days of Effective Date and neither party shall have any further obligation to the other party.

## **8. Default.**

**8.1 Buyer's Default.** In the event that Seller is ready, willing and able to close the transaction contemplated hereby but Buyer shall willfully default and refuse to close the transaction contemplated hereby, Seller shall be entitled as its sole remedy to receive the Deposit from Closing Agent as liquidated damages (the "Liquidated Damages"), and not as a penalty. Buyer and Seller agree that the provision for the payment of Liquidated Damages has been included because, in the event of such a default by Buyer, the actual damages to be incurred by Seller can reasonably be expected to approximate the amount of Liquidated Damages called for herein and because the actual amount of such damages would be difficult if not impossible to measure accurately. Upon the payment of the Liquidated Damages to Seller, this Agreement shall terminate whereupon neither Buyer nor Seller shall have any further rights or obligations hereunder. Notwithstanding anything else in this Agreement to the contrary, Seller hereby waives and releases any claim or cause of action against Buyer (past, present, or future, known or unknown) for punitive, exemplary, consequential, incidental or other special damages arising out of or in any way relating to this Agreement or to the transactions contemplated hereby. Buyer shall have no liability for any such damages.

**8.2 Seller's Default.** In the event that Buyer is ready, willing and able to close the transaction contemplated hereby but Seller shall willfully default and refuse to close the transaction contemplated hereby, Buyer shall be

entitled to: (i) seek enforcement of this Agreement and compel Seller to convey the Property in compliance with the terms of this Agreement to Buyer, by a suit for specific performance, or (ii) receive the return of the Deposit from Closing Agent. The foregoing remedies shall be Buyer's sole remedies and Buyer may choose among such remedies in its sole discretion., or

9. **Notice to Buyer Concerning the Chesapeake and Atlantic Coastal Bays Critical Area:** Buyer is advised that all or a portion of the Property may be located in the 'Critical Area' of the Chesapeake and Atlantic Coastal Bays, and that additional zoning, land use, and resource protection regulations apply in this area. The "Critical Area" generally consists of all land and water areas within 1,000 feet beyond the landward boundaries of state or private wetlands, the Chesapeake Bay, the Atlantic Coastal Bays, and all of their tidal tributaries. The 'Critical Area' also includes the waters of lands under the Chesapeake Bay, the Atlantic Coastal Bays and all of their tidal tributaries to the head of tide. For information as to whether the Property is located within the Critical Area, Buyer may contact the local Department of Planning and Zoning, which maintains maps showing the extent of the Critical Area in the jurisdiction.

10. **Seller Responsibility:** Seller agrees to keep any existing mortgages free of default until settlement. All violation notices or requirements noted or issued by any governmental authority, or actions in any court on account thereof, against or affecting the Property at the date of settlement of this Contract, shall be complied with by the Seller and the Property conveyed free thereof. In addition, Seller may not negotiate new leases or renew existing leases for the Property which extend beyond settlement or possession date without Buyer's written consent.

11. **Broker's Fee:** Neither Seller or Buyer has used a real estate agent or broker with respect to this transaction.

12. **Attorney's Fees:** In any action or proceeding between Buyer and Seller based, in whole or in part, upon the performance or non-performance of the terms and conditions of this Contract, including, but not limited to, breach of contract, negligence, misrepresentation or fraud, each party to this contract shall be responsible for the payment of its own attorney fees.

13. **Property Insurance and Risk of Loss:** The Property is to be held at the risk of Seller until legal title has passed or possession has been given to Buyer. If, prior to the time legal title has passed or possession has been given to Buyer, whichever shall occur first, all or a substantial part of the Property is destroyed or damaged, without fault of the Buyer, then this Contract, at the option of Buyer, upon written notice to Seller, shall be null and void and of no further effect, and all Deposits hereunder shall be returned to Buyer in accordance with the terms of this Contract.

14. **Addenda:** The Talbot County Right to Farm Addendum is hereby attached and made a part of this Contract.

15. **[intentionally deleted]**

16. **General.** This is the entire agreement of Buyer and Seller with respect to the matters covered hereby and supersedes all prior agreements between them, written or oral. This Agreement may be modified only in writing, signed by Buyer and Seller. Any waivers hereunder must be in writing. No waiver of any right or remedy in the event of default hereunder shall constitute a waiver of such right or remedy in the event of any subsequent default. The laws of the state in which the Property is located shall govern this Agreement. This agreement is for the benefit only of the parties hereto and shall inure to the benefit of and bind the heirs, personal representatives, successors and assigns of the parties hereto. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision hereof.

17. **Effective Date.** This Agreement shall become effective on the day (the "Effective Date") the Deposit and a fully executed original of this Agreement has been received and acknowledged in writing by execution of this Agreement in the space provided herein by the Closing Agent.

18. **Time is of the Essence:** Time is of the essence of this Agreement.

19. **Electronic Delivery:** The parties agree that this Contract shall be deemed validly executed and delivered by a party if a party executes this Contract and delivers a copy of the executed Contract to the other party by telefax or telecopier transmittal, or delivers a digital image of the executed Contract by email transmittal.

IN WITNESS WHEREOF, Seller and Buyer have hereunto set their hands and seals on the day and year set forth above.

**BUYER:**

\_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

**SELLER:**

\_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

**EFFECTIVE DATE AND ACCEPTANCE BY CLOSING AGENT**

On this \_\_\_\_ day of \_\_\_\_\_, 2015, the Closing Agent hereby acknowledges receipt of a copy of the fully executed foregoing Agreement of Purchase and Sale and agrees to accept, hold, and disburse any funds, including but not limited to the Deposit, received hereunder in accordance with the provisions of this Agreement.

**CLOSING AGENT:** EASTERN SHORE TITLE COMPANY

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_